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May 14, 2002

Commissioner Arthur H. Rosenfeld, Presiding Member
Commissioner James D. Boyd, Associate Member
Colusa Power Plant Project Siting Committee
California Energy Commission
1519 Ninth Street
Sacramento, California 95814

*Subject: Status Report
Colusa County Power Plant (01-AFC-10)*

Dear Commissioner's Rosenfeld and Boyd,

In accordance with the requests by California Energy Commission ("CEC") for monthly updates of the status of the Colusa Power Plant Project (the "Project") proposed to be constructed by Reliant Energy Colusa County, LLC ("Reliant"), Reliant respectfully submits this status report.

On February 15, 2002, Reliant notified the CEC of its intent to change the offset package described in the Application for Certification submitted by Reliant to the CEC on July 6, 2001, and that it would take approximately three months to develop a new offset package. While developing the new offset package, Reliant re-evaluated the economic prospects for the Project and concluded that:

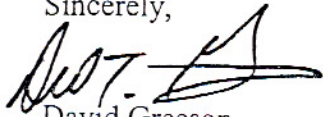
- (i) The regulatory environment in the State of California has created significant uncertainty such that load serving entities in the State are either reluctant to enter into long-term bilateral contracts or, in some cases, are prohibited from doing so by current State law;
- (ii) Existing market conditions and market design do not provide adequate opportunity for fixed costs associated with new capital investments to be recovered; and
- (iii) Until the State provides a market framework that encourages longer term forward contracting and/or the State implements an available capacity market ("A-Cap"), as is being considered by the California ISO, uncertainties identified in subparagraph (i) above, will continue.

Reliant Energy Wholesale Group is not the same company as Reliant Energy HL&P and is not regulated by the Public Utility Commission of Texas, and you do not have to buy Reliant Energy Wholesale Group's products to continue to receive quality regulated services from Reliant Energy HL&P.

Based on the foregoing conclusions, Reliant terminated the ground sublease with Enerland, LLC on March 30, 2002 eliminating control of the site and, regretfully, Reliant hereby withdraws its Application for Certification (01-AFC-10) from the CEC. Colusa County is a great community and an excellent location for a clean, efficient generating station. Reliant has enjoyed tremendous local support for the proposed Project and is disappointed that events beyond the community's control have caused termination of this Project. Thank you for your cooperation in working with Reliant on this matter and we extend our sincere appreciation to the staff of the CEC for its hard work in processing the AFC for the Project.

If you have any questions please do not hesitate to call either Brian Walker at 713.207.6979 or me at 713.207.5375.

Sincerely,

A handwritten signature in dark ink, appearing to read 'David Greeson', with a stylized flourish at the end.

David Greeson
Vice President, Development